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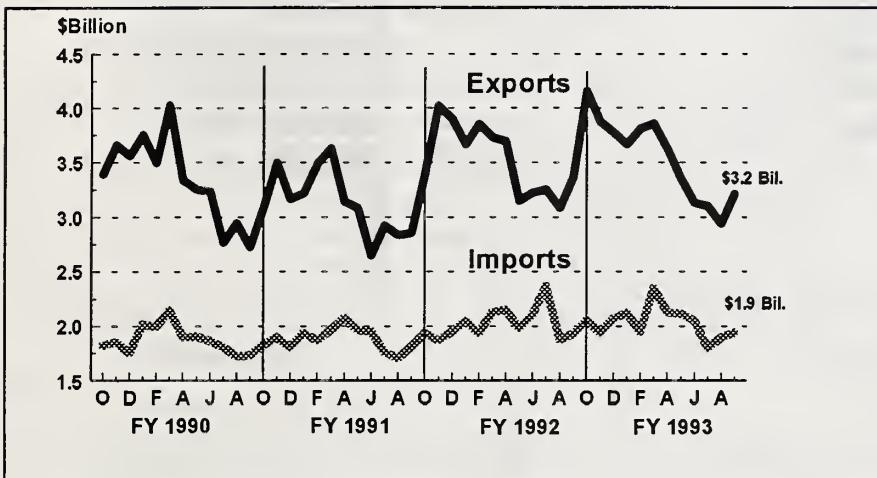
Agricultural Trade Highlights

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September Exports Drop 5 Percent

Fiscal 1993 Closes at Near Record \$42.5 Billion



September trade statistics released on November 19 by the Commerce Department placed the value of U.S. agricultural exports at \$3.2 billion, down five percent from the same month last year. A significant drop in shipments of soybeans and products, corn, live animals and animal fats more than offset sharply higher shipments of consumer-oriented high-value products.

September's results bring fiscal 1993 to a close, with agricultural exports reaching \$42.5 billion, up a modest \$200 million from last year. Fiscal 1993 was the second highest year on record, exceeded only by 1981's figure of \$43.8 billion.

At \$18.9 billion in fiscal 1993, U.S. exports of bulk commodities decreased \$600 million from the previous year. Double-digit declines for cotton and corn and a large drop in tobacco shipments more than offset export increases for wheat and soybeans.

U.S. exports of intermediate products were \$8.9 billion for the fiscal 1993, finishing \$300 million below the record set last year. Export gains for wheat flour, animal fats and vegetable oils (other than soybean oil), were more than offset by decreases for live animals, soybean meal and oil, hides and skins, and sugars and sweeteners. Feeds and fodders reached a new record high of \$1.7 billion.

At \$14.6 billion in fiscal 1993, U.S. exports of consumer-oriented products climbed \$1.1 billion from the record last year. Increases in fiscal 1993 were broad-based with 12 of the 16 product categories setting new record highs, led by snack foods, dairy products, fresh vegetables, poultry meat, and pet foods.

U.S. agricultural shipments to the top ten markets recorded mixed results in fiscal 1993 when compared to the previous year. Exports to Japan, Canada, Taiwan and Hong Kong all

reached record highs, while shipments to Egypt also increased over fiscal 1992. However, shipments to the former Soviet Union were off by 46 percent, while exports to the EC and South Korea recorded modest declines.

U.S. agricultural imports for fiscal 1993 reached a record \$24.5 billion, up slightly from fiscal 1992 levels. With the 1993 export gain roughly equaling the import gain, the fiscal 1993 agricultural trade surplus was roughly unchanged from last year at \$18 billion.

On November 30, the World Agricultural Outlook Board released its fiscal 1994 projections for U.S. agricultural trade. Export value is expected to be unchanged from 1993 at \$42.5 billion, with record sales of horticultural and livestock products forecast to offset heavy declines in wheat shipments. Fiscal 1994 U.S. agricultural imports are forecast to remain unchanged from 1993 at \$24.5 billion.

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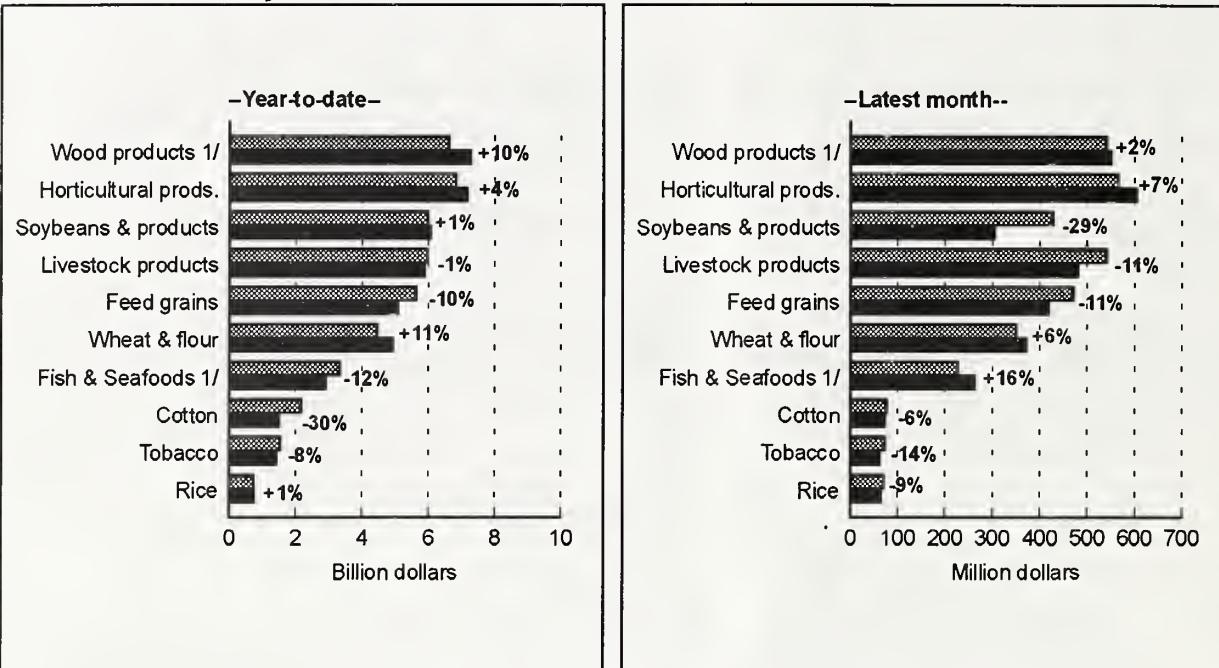
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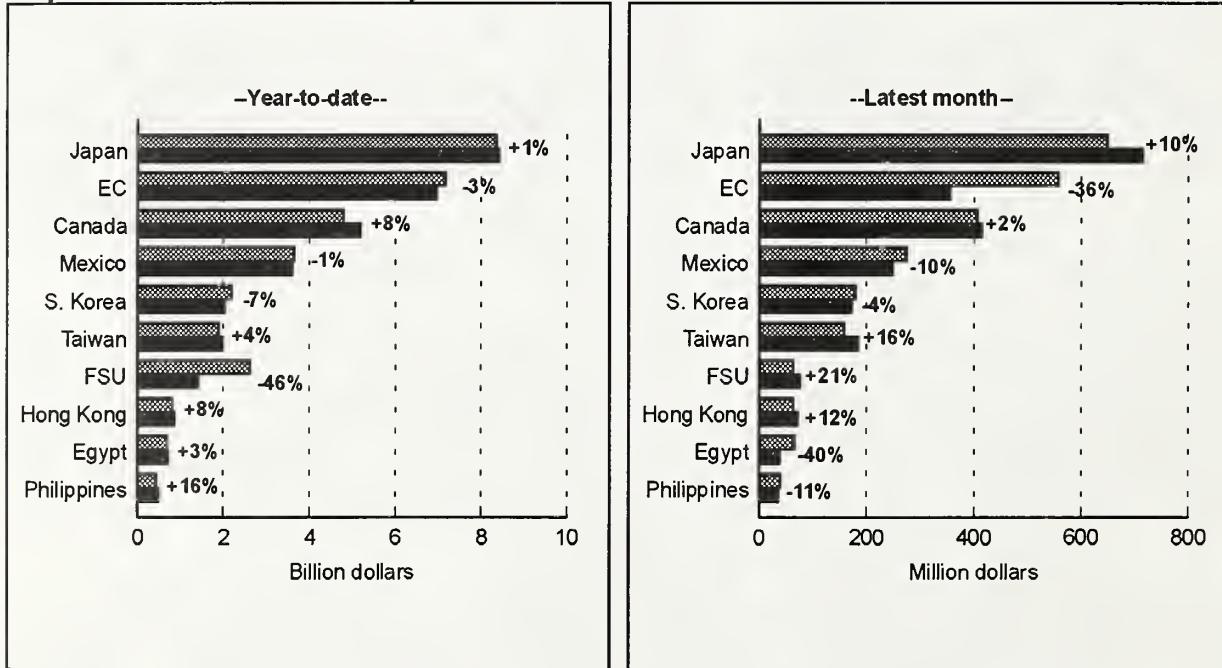
U.S. Agricultural Export Summaries

October-September and Latest Month Comparisons ■ FY '92 ■ FY '93

Product Summary



Top Ten Markets Summary



Note: Percentages are computed as the change from a year ago.

1/ Not included in agricultural totals.

Consumer Food Highlights

Exports of consumer foods totaled \$1.3 billion in September, up seven percent from the same month last year. This brings the export figure to \$10.8 billion for the first nine months of 1993, an increase of just over seven percent from the same period last year. Gains remain broadly based across most product groups, with double-digit growth for snack foods, breakfast foods, prepared/preserved red meats, poultry meats, dairy products, fresh vegetables and pet foods.

Chilled/frozen red meat shipments totaled \$264 million in September, or five percent lower than year-earlier levels. At \$2.3 billion, year-to-date sales were virtually unchanged from the same period last year. Exports to Japan, the leading market, were nine percent higher than last year's record-setting pace. Falling prices for imported beef in Japan have spurred sales. With respect to pork, U.S. shippers were the only foreign suppliers to achieve increase sales to Japan during the first half of 1993, due to attractive pricing and a plentiful supply of high-quality chilled products. U.S. red meat sales remained weaker to the other top four markets.

Fresh fruit exports totaled \$150 million in September. At \$1.3 billion, year-to-date sales were running two percent behind last year's level. This is due to reduced apple exports (down 12 percent at \$188 million) with supplies on world markets still plentiful, and lower prices for oranges and grapefruit. While the quantity of citrus exports was up five percent over last year, total sales were running two percent behind at \$490 million so far this year. On the bright side, sweet cherry sales posted a record \$110 million, up \$6 million on a 19 percent decline in quantity, largely due to the profitable opportunity for new sales to Japan. Grapes, avocados and melons also posted noticeable sales gains over last year.

September's exports of *fresh vegetables* totaled \$55 million. This raises year-to-date sales to \$762 million, an increase of 15 percent over the same period last

year. This group is well on its way to a new record sales year in 1993. Sales gains, both quantity and value, are spread across a large assortment of vegetables spurred by strong demand growth in Canada, Japan and Mexico. Accounting for most of the sales increase were onions (up 37 percent at \$54 million), broccoli (up 31 percent at \$53 million), lettuce (up 32 percent at \$115 million) and asparagus (up 15 percent at \$61 million).

September's exports of *processed fruits and vegetables* totaled \$150 million. At \$1.2 billion, year-to-date sales were five percent ahead of last year's level. Rising exports of processed vegetables continued to drive most of the growth, with canned products accounting for \$416 million or 56 percent of these sales. Tomato paste, sweet corn and mixed preparations (including sauces) are the major items. At \$205 million, frozen vegetable shipments are up five percent with french fries and sweet corn accounting for most of the increase. At \$118 million, dried vegetable sales recorded a modest four percent increase due to higher shipments of onions and soups.

In September, exports of wine and beer totaled \$34 million. This raises year-to-date sales to \$293 million, up six percent from last year's level. Beer shipments accounted for 55 percent of total sales and virtually all of the growth over last year. Extensive overseas marketing conducted by the major U.S. breweries has spurred sales growth. Japan remains the top market, but sales are also growing to secondary

markets in the EC, Mexico and many South American countries.

Poultry meat exports continued double-digit gains in September, rising 16 percent from year-earlier levels to \$92 million. With year-to-date shipments now totalling \$758 million, sales are expected to easily exceed a record \$1 billion by year's end. With sales to-date up 15 percent at \$432 million, frozen chicken cuts continue to lead the category with particularly brisk exports to Hong Kong. Also posting strong gains so far this year are frozen turkey cuts and prepared poultry products. Sales of the latter to Canada are up 60 percent to more than \$35 million.

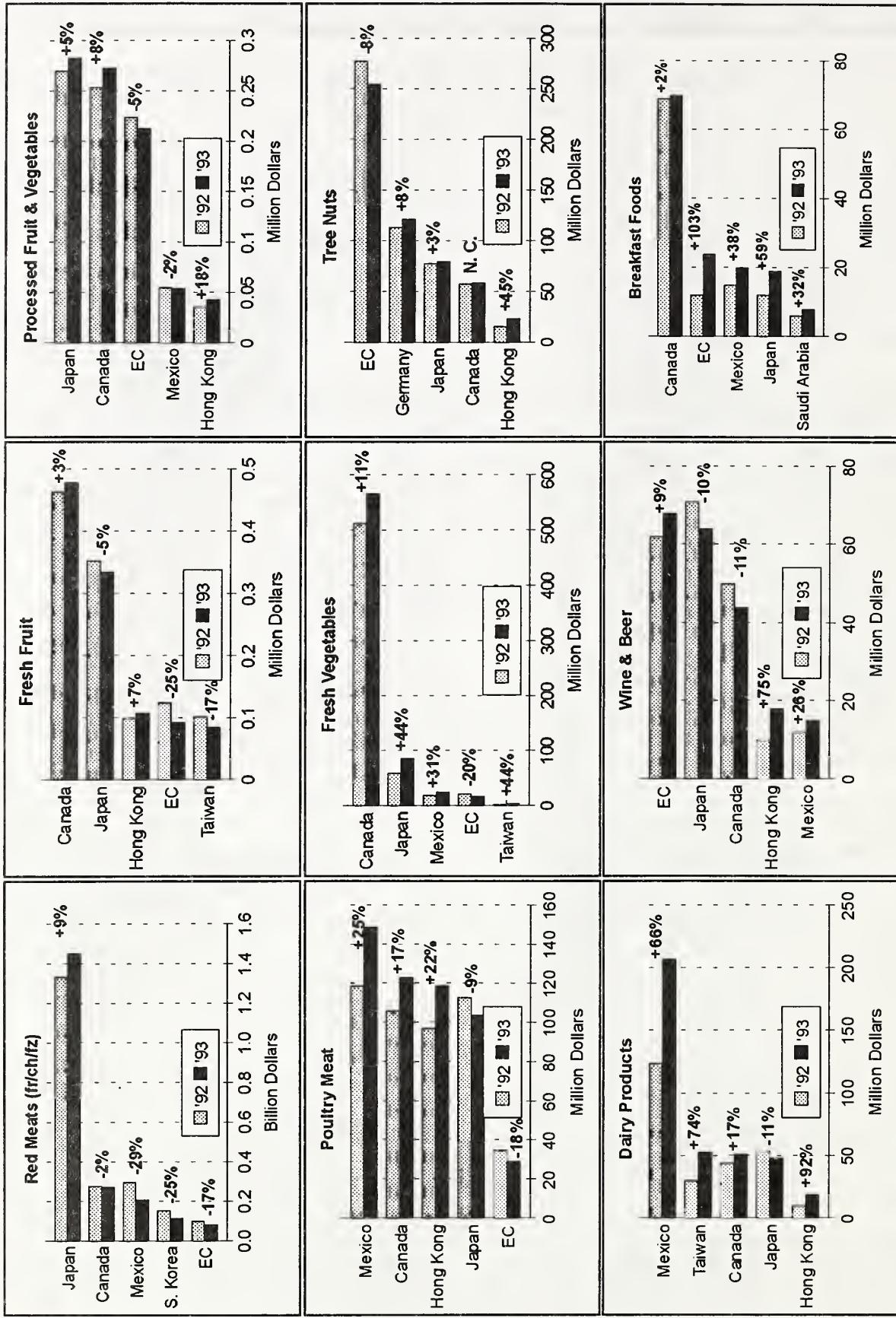
Growing world demand for U.S. *breakfast foods* continue with export sales jumping 24 percent to \$23 million in September. These sales boosted year-to-date shipments to nearly \$200 million. While Canada continues as the largest market, most sales growth so far this year is to the EC and Japan. Kellogg's breakfast foods perform particularly well in these markets, led by cereals to Japan and toaster pastries to the United Kingdom.

Tree nut exports fell 14 percent to \$91 million in September, with higher prices contributing to significantly reduced sales in important European markets such as Spain and Italy. So far this year, total sales are down two percent to \$578 million. While almond exports are up four percent to \$410 million, exports of most other nuts are down; walnuts are down 49 percent to \$30 million and pecans are down 12 percent to \$32 million.

Exports of *dairy products* grew 12 percent to \$82 million in September. Compared to the first nine months of 1992, 1993 sales are up 14 percent to \$625 million boosted by strong U.S. government-assisted sales of dry milk and butter. Other important dairy product exports posting gains so far this year include infant preparations (up 99 percent to \$85 million), cheese (up 15 percent to \$40 million), and fluid milk and cream (up 37 percent \$26 million).

Top Five Markets for Selected U.S. Consumer Foods

January through September Comparisons



Note Percentages are computed as the change from 1992 to 1993.

Product Spotlight: Chilled or Frozen Beef and Veal

Strong export promotion efforts in major overseas markets and partial trade liberalization in major import markets is paying off big for the U.S. beef industry. The value of total U.S. chilled/frozen beef and veal exports has doubled in the past six years, reaching a record \$2 billion in fiscal 1993. With the role of overseas sales expected to remain vital to the industry's health, the continued involvement and close cooperation of the U.S. government and the U.S. Meat Export Federation in market development and trade policy issues should drive U.S. exports to new highs in the years ahead. In fact, if present trends continue, U.S. exports could double again, reaching \$4 billion by 2000.

After several years of declining per capita beef consumption in the U.S., the U.S. beef industry is increasingly seizing opportunities for growth in foreign markets. Rising foreign demand for U.S. meats is the result of rising incomes, agreements with Japan and South Korea to reduce trade barriers, lower tariffs with Mexico and Canada, and the desire of East Asian consumers to add more protein to their diets in the form of meats. Fueled by these trends, U.S. chilled/frozen beef and veal exports reached 417,800 tons in 1993, worth a record \$2 billion. This significantly improves upon export levels in 1988, when the U.S. sold 210,500 tons, worth \$956 million.

The U.S. industry is finding it can compete in the booming \$9.6 billion world beef export market partly due to its large herds, abundant and cheap feed, sophisticated slaughter operations, and a product which can be differentiated as grain-fed beef. The U.S.' share in world trade of chilled/frozen beef and veal rose to 12.3 percent in 1992, up from 6.3 percent in 1987. Most of the U.S.' gain came at the expense of smaller export competitors, rather than from the share held by the EC and Australia, which are first and second in chilled/frozen beef exports.

Multiple indicators suggest the U.S.' success in expanding beef exports will

continue. First, as the U.S.' share of world trade expanded, so too did world trade, which will likely continue to grow. International trade in beef and veal grew about 4 percent each year over the last half decade; growth of 3-4 percent annually is expected through the end of the decade.

Second, the recent conclusion of a U.S.-South Korean trade agreement locks in a commitment to increasing volumes of minimum beef imports by South Korea for the next several years, and U.S. firms are well poised to compete in this market.

Third, the passage of NAFTA will allow for tariffs on chilled/ frozen U.S. beef to Mexico to immediately fall back to zero. This should enable exports of the U.S. industry, which on a level playing field is quite competitive with Mexican producers, to grow to new record highs as the Mexican economy grows.

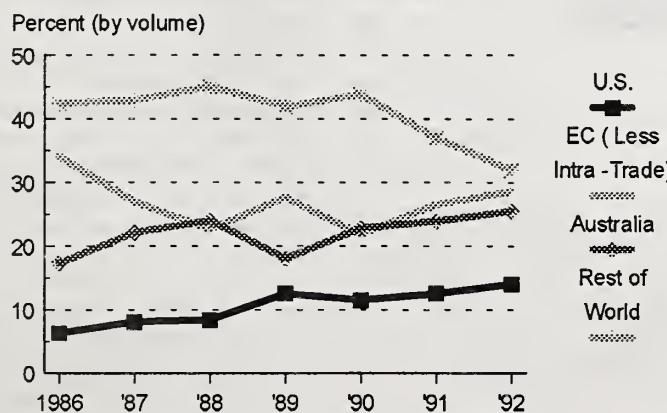
Fourth, in Canada, the U.S.' second largest market, the U.S. should benefit from continued strong demand for beef coupled with the anticipated extension of a favorable trade policy regime in 1994. A large increase in beef imports from Australia and New Zealand partially displaced U.S. beef exports in fiscal 1993. Canada imposed a tariff rate quota on non-U.S. boneless beef imports for the period May 1 to December 31, 1993. Non-U.S. imports exceeding 48,000 tons face a 25 percent ad valorem tariff for the rest of 1993. This policy is anticipated to continue for 1994, leading to a rise in U.S. beef exports to Canada.

Finally, the newer markets of Taiwan and Hong Kong hold out significant promise in the medium-term, particularly for sales to the hotel, restaurant and institutional trade (HRI).

The U.S. and Australia Battle in Japan

Fueled by the final reduction stipulated in the 1988 U.S.-Japan Beef and Citrus Agreement, U.S. chilled/frozen beef exports to Japan hit an all-time high of

U.S. and Australian Exports Gain Share of Global Beef and Veal Trade



...Beef and Veal

\$1.2 billion on shipments of 228,000 MT in fiscal 1993. This is up from \$738 million in fiscal 1988. Extensive promotional efforts led by the U.S. Meat Export Federation (USMEF) at every step of the opening of the Japanese market helped pave the way for private U.S. firms. Much of this promotional effort was financed by USDA's Export Promotion Program (MPP) and its predecessor, the Targeted Export Assistance Program (TEA).

Historically, imported beef suffered from a generally poor image among Japanese consumers versus domestic beef, but educational efforts by USMEF has begun to reverse this. As evidence, U.S. beef usage among USMEF's target supermarkets jumped from 15 percent in 1988 to 37 percent in 1991. And U.S. beef's share of total purchases by the six largest supermarket chains increased \$154 million in 1991 alone.

Yet in the shadow of this success story is the less well-known story of how Australia and the U.S. are now battling for an edge in this market. Although each country is tied with 48 percent of the value of imported beef sales, Australia is hoping to challenge the U.S. as the preferred source of grain-fed beef in Japan, according to Madeleine Beaumont, market analyst for the Australian Meat & Livestock Corp. To accomplish this, an Australian campaign has targeted individual Japanese

consumers with taste-testing tables in department stores and "Aussie beef" advertising on television. According to the USMEF, Australian promotion expenditures for 1993 are estimated above \$20 million.

The competition between the two has been most intense for share in the chilled beef market (as distinct from the frozen market). Chilled beef is primarily distributed to retail outlets, which are seen as having the greatest growth potential overall for imported product. The U.S. steadily gained ground over 1988-1992, rising from 17.3 to almost 30 percent of imported chilled beef. But in 1993 thus far, Australia has made greater in-roads into the Japanese market than the U.S. Japanese chilled beef imports from Australia were up 41 percent in the first half of 1993, compared with the same period in 1992, according to data compiled from the Japanese Ministry of Finance. Japanese chilled beef imports from the U.S. were up 20 percent during the same time period.

Most recently, Japan's economic slowdown has shifted beef consumption from high-grade, chilled grain-fed cuts to less expensive beef. As a result, major supermarket chains in Japan have discounted imported beef by as much as 20-50 percent, as consumers seek lower prices during difficult economic times.

One final note: although the position of U.S. beef is being challenged by intense competition and recession, FAS analysts nevertheless expect U.S. beef sales to Japan to rise next year and to continue expanding at a healthy clip over the next few years.

Exports to Mexico Likely to Surge

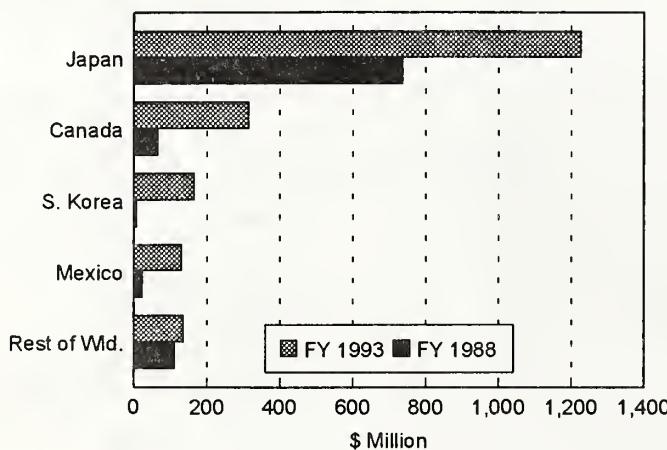
The Mexican market offers tremendous potential for growth of U.S. beef and veal, particularly under NAFTA. U.S. beef and veal shipments to Mexico in fiscal 1992 were more than six times larger by volume than in 1988. Most of the increase took place between fiscal 1990 to 1992, as Mexican imports of U.S. chilled/frozen beef grew from approximately \$72 to \$218 million.

However, this sharp growth was interrupted by the imposition of new import barriers in November 1992, as Mexico clamped down on imported beef by raising import tariffs from zero to 20-25 percent. This had an immediate, negative impact on U.S. exporters. Although U.S. exports as a whole fell by 45 percent, one West Coast firm contacted by Agricultural Trade Highlights reported a slowdown of 75 percent in its shipments to Mexico following the boost in tariffs. However, it is doubtful that it would be legal for Mexico to erect similar obstacles to trade after NAFTA takes effect on January 1, 1994.

As the Mexican economy grows, disposable income among Mexicans will increase, thereby spurring sales of beef, the meat of choice in Mexico. Thus the firm which reported the slowdown, along with the rest of the U.S. beef industry, is now bracing for a strong rebound in Mexican-bound shipments with the implementation of NAFTA. USMEF analysis shows that Mexican beef consumption could increase 25-60 percent by the year 2000.

As the number of Mexicans who can afford hamburger and other lower-cost cuts rises, Mexican retailers will increasingly rely on U.S. product to fill demand, given constraints to domestic

U.S. Beef and Veal Exports to Top 4 Markets Take Off



...Beef and Veal

production. Moreover, as the size of the middle class -- which now numbers 30 million -- expands, there will be a commensurate jump in demand for premium cuts. The HRI and restaurant trade will be a major conduit for such product; they currently account for 50 and 14 percent, respectively, of Mexican sales of U.S. high quality beef.

To be successful, U.S. beef exporters should focus on building distribution channels in Mexico, establishing direct links with end-users, and promoting quality differences vis-a-vis local product through promotion. Firms should also be aware that Mexicans have a preference for leaner beef, which may potentially open the door to Australian or EC beef. (This is more true in Central and Southern Mexico; Mexicans in the North have already been introduced to grain-fed beef.) Indeed, due to increased competition, the U.S.' share of the Mexican market dropped from 90 percent of imports in 1988 to 73 percent in 1992. However, after January 1, the U.S. will enjoy a price edge of over other third-party competitors who will continue to face the present import tariffs of 20-25 percent.

Exports to South Korea To Benefit from July Agreement

South Korea, the fourth-largest U.S. beef export market in volume terms, is certain to boost its purchases of U.S. beef in coming years. U.S. exporters are already increasingly penetrating the market, aided by the U.S. government's and other suppliers' success in negotiating the continued opening of Korea's beef market. To illustrate, the U.S. shipped \$9 million worth of chilled/frozen beef and veal to Korea in fiscal 1988; in 1989, the U.S. exported \$72 million and recorded \$215 million in sales in fiscal 1992.

Lack of government tenders in the imported beef market caused imports to drop sharply in the first half of 1993. This decline accounted for the \$48 million fall earlier this year in U.S. beef exports to Korea. However, negotiations concluded in July cleared

the way for a resumption of a normal volume of tender offers in the second half of the year. The agreement also established a framework for overall Korean minimum beef imports to grow at 7 percent per annum through 1995, and for the market to be fully opened by 1997.

Korea is basically following the liberalization procedures adopted by Japan. This includes setting minimum beef import levels, requiring foreign firms to engage a Korean agent, and channeling the vast majority of beef imports through a government purchasing board at the same time as a simultaneous buy-sell (SBS) system is instituted. The SBS system lets the foreign seller and the domestic buyer (or industry association) deal directly with one another. This allows for a more efficient, market-driven transaction (although mark-up rates are set by the agreement rather than by the market). The SBS portion of the market began small but will be gradually expanded during the course of the agreement to include non-tourist hotels and restaurants, meat processors and many supermarkets.

Consequently, the interest of U.S. firms in the Korean market is getting stronger. One U.S. firm which describes itself as a small regional packer of about \$200 million in total annual sales recently participated in a USMEF trade show geared to the Korean market, and found the trade show extremely helpful in making contacts with the HRI trade in-country. Such contacts will become increasingly important as the SBS system widens, affording U.S. firms increased opportunities to supply product information that focuses on U.S. beef's taste advantages over competitor's lower-priced beef.

The USMEF has also been tackling one of the greatest hurdles to increased sales -- the lack of information by both sides. U.S. firms often don't know their Korean counterparts when they have dealt only with Government auctions. And Korean firms may lack knowledge about U.S. beef production methods, or

may lack the technical and management expertise to handle, store and merchandise the product properly and effectively. Consequently, the bulk of the USMEF's activities in Korea shore up the understanding of the Korean trade, as well as develop a positive image for U.S. beef. The USMEF conducts boxed beef seminars and safety and inspection seminars geared towards the trade, and at the retail level, creates point-of-sale displays, translates technical material and performs in-store promotions.

Imported beef in Korea, the majority of which has been grass-fed beef from Australia, is most commonly sold in specialty shops, followed by physically segregated sections of *wet markets* and supermarkets. However, the U.S.' strength is in high quality cuts such as boxed beef, which are primarily channeled to the HRI sector. Beef is purchased on average twice a week, usually by the housewife. Seventy percent of Korean consumers buy their meat from butcher shops.

Australia is the top import competitor, holding about 45 percent by value of the Korean import market in calendar 1992 versus the U.S. share of 49 percent. Australia's main advantage is its production of lower-priced, grass-fed and grain-fed product, and its ability to satisfy the traditional Korean handling preference for carcass product. This preference, however, has been changing recently.

To summarize, the U.S. beef industry has achieved great success in global trade. With the focus on foreign sales expected to remain vital to U.S. firms, the stepped-up involvement of the U.S. government and cooperator groups on access issues and matters that affect international trade will also continue. As barriers are dismantled and markets become increasingly prosperous, the U.S. beef industry should see its export fortunes improve.

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Country Spotlight: Japan

Japan continued as the top U.S. agricultural export market in 1992 with a record \$8.4 billion in sales, representing one-fifth of total U.S. agricultural shipments. This year, despite a recession, sales may be headed for another record high as continued gains in high-value products offset lower bulk commodity shipments.

The growing importance of high-value products to Japan this year is a continuation of a 20-year trend. In 1970, 82 percent of U.S. shipments to Japan were bulk products, while intermediate high-value products represented 14 percent, and consumer-oriented high-value products were only 5 percent of agricultural sales. By 1992, bulk's share of the export pie fell to 46 percent, while intermediate products accounted for 12 percent, and consumer-oriented products rose to 42 percent. This shift reflects the effects of long term economic growth, demographic changes, and successful trade liberalization efforts which opened Japan to more U.S. consumer foods.

Despite the declining bulk commodity share of total sales, Japan remains the largest cash market for U.S. bulk products. 1992 shipments reached \$3.9 billion, and were led by \$1.7 billion of coarse grains, \$874 million of soybeans,

\$584 million in wheat, a record \$372 million in tobacco, and \$329 million in cotton. In the first three quarters of this year, bulk shipments are down 6.5 percent compared to the same time period last year.

Japan is also the second largest intermediate product market with 1992 shipments reaching \$978 million. Intermediate shipments were led by a record \$336 million in feed and fodders, \$286 million in hide and skins, a record \$55 million in planting seeds and \$36 million in sugars, sweeteners, and beverage bases. Hides and skins continue a five year decline as the Asian leather industry relocates to other countries.

Consumer Foods Reach Record \$3.6 Billion in 1992

Sales of consumer-oriented foods reached a record \$3.6 billion in 1992, more than doubling sales in 1987. Demographic changes, the high income of Japanese consumers (\$19,000 in purchasing power equivalent), a stronger yen (making U.S. products cheaper to Japanese consumers), trade liberalization, shifts in Japanese consumer tastes and preferences, and the current economic slow down affect the short and long term prospects for U.S. consumer food sales.

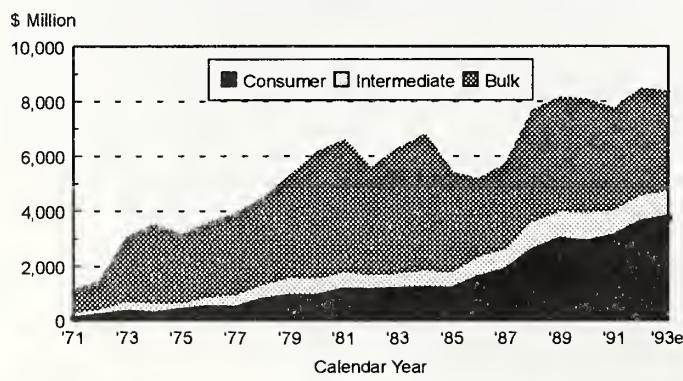
U.S. consumer food sales to Japan are dominated by the record \$1.8 billion of fresh/chilled/frozen red meats in 1992. The door to red meat exports was opened by the 1988 Japan Beef and Citrus Agreement. While the door was opened to the Japanese red meat market by the trade agreement, extensive marketing efforts by the U.S. Meat Export Federation, supported by funds from the Market Promotion Program (MPP), were critical to the success of U.S. red meat in Japan. Chilled grain-fed U.S. beef appeals to premium Japanese beef consumers, who are primarily young and affluent. According to a recent supermarket taste survey, U.S. beef (known as Kansas beef) is considered to have the same taste and quality as the top quality domestic Japanese beef that is called for in traditional Japanese beef dishes. Even as Japanese consumers tighten their belts on luxury purchases, red meat sales continue to be a bright spot in 1993. So far this year, U.S. sales are 9 percent greater than 1992's record setting pace. Lower prices, from a fall in beef tariffs to 50 percent and a weaker U.S. dollar, are contributing to the strong performance.

Mixed Picture for Horticultural Products

More than \$1 billion of horticultural products were shipped in 1992. However, consumption trends and demographic shifts present a mixed future of new opportunities and new challenges for U.S. exporters.

In 1992, \$410 million of fresh fruit was shipped to Japan - a 4 percent drop from the record \$427 million of 1991. This decline has continued. So far this year fruit exports are 5 percent less than in 1992. Fruit exporters, especially grapefruit growers report a soft market despite falling prices. Lower fruit exports are reflecting a decade long decline in per capita fruit consumption in Japan.

Consumer-Oriented Products Account for Rising Share of U.S. Agricultural Exports to Japan



...Japan

The bright spot in fresh fruit sales is sweet cherries. Since 1992 when the limited market window for U.S. cherry exports was dissolved, U.S. cherry exports have soared to reach a record \$77 million this year compared to \$34 million in 1991.

Fresh vegetables are the current hot horticultural export with 1993 sales already at a record \$87 million. U.S. shipments could pass the \$110 million level by year's end. The fresh vegetable export boom began with a market opportunity resulting from a series of typhoons in 1991 that devastated Japanese domestic vegetable production. The resulting high domestic prices lowered the entry barrier for U.S. fresh vegetable exports by making them price competitive. Broccoli, cauliflower and asparagus are the leading vegetable exports, along with strong growth for onions, kohlrabi, and celery. Even fresh lettuce is being exported to Japan by ocean freight. The integral role of fresh vegetables, especially onions, in Japanese cuisine favors continued growth in demand for U.S. fresh vegetables.

Processed fruits and vegetable shipments reached a record \$358 million in 1992 and sales so far in 1993 are 5 percent ahead of last year's pace. Rising Japanese demand for convenient processed fruits and vegetables that are frozen and/or microwaveable in single portion sizes represent particularly good

sales opportunities for U.S. food companies.

Japan's affluence and lifestyle changes are creating growing sales for snack and pet foods. Apparently unaffected by the recession, U.S. snack and pet food sales in 1993 are 14 and 25 percent ahead of last year's pace. Snack foods exports could exceed \$60 million this year, while pet food shipments should easily pass the record \$109 million in shipments in 1992, and could reach \$130 million this year. As Japanese consumers pamper their pets, U.S. pet food sales should benefit. The U.S. pet food industry has a competitive advantage since a key ingredient of dog and cat foods is a by product of U.S. meat processing plants.

Solo Dining Offers Opportunities for U.S. Food Companies

One or two person dining may be replacing the traditional family meals. In 1991, 8.5 million or one fifth the total number of households in Japan were single person households, up 26 percent from two decades ago. Other factors pointing to greater solo dining include the rising number of women in the workforce, which has reduced the time available for meal preparation. Japanese children also face increased demands on their time. According to a report from the U.S. ATO office in Tokyo, a 1991 survey of Tokyo school children reveals that 46 percent of

elementary school and 70 percent of junior high school students attend *juku* classes in addition to regular classes. *Juku* schools are private evening schools that provided additional tutoring to prepare Japanese school children for the career determining high school and university entrance exams. The combination of working wives, *juku* children, and the overtime hours of fathers has led to what has been called "individual eating." Family members eat their meals at different times. These trends have created a growing market for single serving, and convenient and microwavable meals.

Summary

Japan is expected to continue as the largest country market for U.S. agricultural products through the 1990s. The shift toward single person households, increased numbers of working women and the spread of microwave ovens represent market opportunities for U.S. food processors. The brightest short term opportunities for U.S. products appear to be fresh vegetables, fresh and chilled red meats, prepared and preserved red meats, pet foods, snack foods, and processed fruit and vegetables.

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With \$4.9 Billion in Sales, Japan is Also Top Market for U.S. Fish and Wood Products

In addition to traditional agricultural exports, Japan is the number one market for U.S. shipments of fish and forest products. A record \$2.2 billion of seafood went to Japan in 1992. Japan is the largest export market for many important U.S. seafood products, including whole and eviscerated salmon with sales of \$577 million, surimi (imitation fish products), \$329 million; fish roe and urchin (fish eggs), \$381 million; and crab, \$411 million.

At \$2.7 billion in 1992 sales, Japan is the largest customer for U.S. forest product exports, accounting for 40 percent of total export shipments. So far this year, sales to Japan are 21 percent ahead of last year's pace. Logs are the top forest product export to Japan with \$1.5 billion shipped in 1992. Nearly three fourths of all U.S. exports of logs go to Japan. Lumber is the second largest export with \$621 million in sales last year.

U.S. Agricultural Exports by Commodity Type to JAPAN

Calendar Years 1988 to 1993 and Year-to-Date Comparisons
(thousands of dollars)

Product	Calendar Years					January–September		% Chg
	1988	1989	1990	1991	1992	1992	1993	
BULK COMMODITY TOTAL	4,059,480	4,168,491	4,136,708	3,749,392	3,888,479	2,911,029	2,721,561	-6.5
Wheat	426,023	476,641	420,368	422,107	584,350	434,637	362,358	-16.6
Coarse Grains	1,837,867	1,911,327	1,954,029	1,698,350	1,670,623	1,268,384	1,236,070	-2.5
Rice	226	1,102	561	874	1,064	789	1,490	88.8
Soybeans	1,033,476	865,969	817,592	864,452	873,801	591,863	637,825	7.8
Cotton	490,808	551,301	580,090	482,641	329,188	269,406	194,816	-27.7
Tobacco	212,004	299,090	303,314	224,087	372,297 *	307,711	254,876	-17.2
Pulses	18,708 *	18,252	17,750	18,041	11,914	6,993	8,747	25.1
Peanuts	15,596	17,531	12,125	7,495	13,351	9,753	7,134	-26.9
Other Bulk Commodities	24,773	27,278	30,878	31,345	31,892 *	21,493	18,245	-15.1
INTERMEDIATE TOTAL	1,043,730	1,000,075	1,050,389 *	923,853	977,897	708,835	767,087	8.2
Wheat Flour	244	86	108	59	379	134	1,736 *	1195.5
Soybean Meal	9,190	2,895	4,493	4,953	36,699	19,347	37,021	91.4
Soybean Oil	295	607	196	196	771	608	179	-70.6
Other Vegetable Oils	48,213	39,712	46,155	44,798	41,322	35,067	51,611 *	47.2
Feeds & Feeders (Excl. Pet Foods)	276,072	273,058	295,775	319,587	335,747 *	251,650	288,627	14.7
Live Animals	55,771	52,669	57,337	61,919 *	51,528	34,344	31,983	-6.9
Hides & Skins	469,667 *	408,490	455,477	280,547	286,430	212,096	192,404	-9.3
Animal Fats	16,296	19,553	16,085	22,942	19,591	15,325	10,346	-32.5
Planting Seeds	50,606	45,246	45,615	46,956	54,748 *	28,375	31,808	12.1
Sugars, Sweeteners & Bever. Bases	14,799	33,446	13,195	18,950	36,405 *	26,741	15,580	-41.7
Other Intermediate Products	102,576	124,314 *	115,951	122,948	114,278	85,146	105,793	24.2
CONSUMER-ORIENTED TOTAL	2,534,452	2,932,986	2,838,662	3,039,439	3,551,378 *	2,690,986	2,884,554	5.3
Snack Foods (Excl. Nuts)	69,667 *	67,100	59,654	49,136	54,152	38,262	43,727	14.3
Breakfast Cereals & Pancake Mix	10,829	21,235 *	17,892	13,675	16,974	11,897	18,937	59.2
Red Meats, Fresh/Chilled/Frozen	1,185,304	1,450,502	1,413,790	1,391,961	1,804,991 *	1,337,206	1,455,026	8.8
Red Meats, Prepared/Preserved	43,353	34,613	35,870	34,096	34,453	25,963	30,432	17.2
Poultry Meat	146,768	141,920	123,206	169,251 *	152,210	113,479	103,506	-8.8
Dairy Products	30,427	33,076	34,714	46,423	70,012 *	53,992	47,995	-11.1
Eggs & Products	29,545	17,201	20,787	33,332	31,396	23,564	18,430	-21.8
Fresh Fruit	380,947	388,711	335,778	427,800 *	410,469	353,363	334,771	-5.3
Fresh Vegetables	40,299	42,479	49,630	69,774	79,518	60,017	86,679 *	44.4
Processed Fruit & Vegetables	284,654	307,284	321,942	337,934	357,871 *	269,524	283,480	5.2
Fruit & Vegetable Juices	64,200	89,730	99,506	89,587	121,922 *	106,521	78,513	-26.3
Tree Nuts	101,122	105,239	101,079	105,337	119,496 *	78,122	80,200	2.7
Wine and Beer	40,207	55,105	78,095	75,045	94,253 *	70,824	63,741	-10.0
Nursery Products & Cut Flowers	4,765	6,970	8,139	9,366 *	9,161	6,804	7,428	9.2
Pet Foods	31,837	81,471	63,112	90,588	109,426 *	78,344	97,647	24.6
Other Consumer-Oriented Products	70,527	90,349	75,469	96,133 *	85,074	63,105	84,041	33.2
AGRICULTURAL TOTAL	7,637,662	8,101,552	8,025,759	7,712,684	8,417,754 *	6,310,850	6,323,202	0.2

Note: (*) Denotes highest export level since at least 1970.

Trade Policy Updates

A Japanese Firm Will Soon Begin Importing Frozen Rice Products From China

Fresh Ishimori Co., a food processor in Hyogo Prefecture, is planning to import frozen rice pilaf that is produced by its subsidiary company in Dalian, China. While the price of rice is rising in Japanese markets due to a poor crop this past fall, the Chinese-made rice products are expected to be sold in Japan at about one fifth of the market price. The company will import frozen pilaf which contain roast pork, scallops, rice and other ingredients. While in principle, the Japanese Government prohibits imports of rice or processed rice products, processed rice products can be imported as processed meat or fish if they contain non-rice ingredients amounting to 20 percent or more of the item. Last year, a Japanese firm began importing U.S. frozen sushi, however, it soon went out of business so no major imports occurred.

Japanese Panel Recommends No Changes In Rice Prices But Lower Wheat Prices

The Food Price Council has recommended that the government's retail rice prices remain unchanged for the second year in a row. The Council also suggested lowering the price of wheat by 10.4 percent. Non-government retail prices for rice harvested this year, and distributed to wholesalers through agricultural cooperatives, surged an average of 9 percent over last year's crop, reflecting one of the poorest Japanese rice harvests in over thirty years. The wheat price drop reflects the GOJ's expected 9 billion yen windfall gained from imports thanks to a stronger yen on the foreign exchange. The new wheat prices will be introduced to the market on December 20.

China's Bonsai Plant Exports to the United States Up 123 Percent in 1993

China has exported 29,000 live bonsai plants to the United States in the first eight months of 1993, valued at \$75,184. Quantities were up 123 percent over the same time period in 1992, and the total value of shipments increased 9 percent (signifying a lower unit value). Imported bonsai must enter the United States without soil due to phytosanitary restrictions. APHIS does not permit the import of soil, and rejects a large percentage of China's current bonsai shipments due to the presence of plant pests or diseases. An estimated 80 percent of Chinese bonsai either arrive dead or are rejected for phytosanitary reasons.

Poland and EFTA Implement Free Trade Agreement, Some U.S. Exports Likely to Suffer

On Nov. 15, 1993, Poland and the EFTA countries implemented a multilateral FTA agreement to gradually reduce trade barriers on industrial products, fish, and some processed food products. In addition, bilateral trade agreements with individual EFTA countries provide improved reciprocal market access to selected agricultural products. The preferential access accorded to the EFTA countries in the Polish market will likely undermine some U.S. exports.

Vietnam Reports Increased Rice Production and Exports

Over the last five years, Vietnam has exported, an average of 1.5 million tons of rice annually. This year, rice output is expected to total 22 million tons, and it is anticipated that 1.8 to 2 million tons will be exported. In the first 9 months of this year, Vietnam exported about 1.3 million tons. Vietnam normally produces and exports lower quality short and medium grain rice that tends to compete with some of Thailand's rice exports

Israel Reduces Import Levy on Frozen Beef From 17 to 5 Percent

On Nov. 9, 1993, the Government of Israel (GOI) reduced its import levy on frozen beef from 17 to 5 percent. Beef imports also have a 17 percent value added tax. The import levy reduction comes as a surprise to Ministry of Agriculture officials who had recommended that domestic beef and lamb production be protected by a 17 percent levy, to be adjusted twice a year according to domestic supplies and prices of beef and turkey. This decision to reduce the levy comes less than one month after the Israeli high court forced import liberalization, including the importation of non-kosher meat.

...Trade Policy Updates

EC Commission Adopts Proposal to Open the 1993 Enlargement Tenders

The EC Commission has adopted a proposal for a Council Regulation opening the 1993 corn and sorghum tenders under the U.S. - EC Enlargement Agreement. In a break from past practice, the Commission forwarded its proposal directly to the Council without a parliamentary opinion. The Commission decided to bypass the Parliament, which has been a stumbling block in the past, rather than run the risk of seeing the proposal delayed indefinitely.

Philippine AG Officials Replacing Import Bans With Tariffs in Excess Of 100%

According to an article in the Philippines' "Business World", the Philippine Department of Agriculture, reacting to U.S. pressures to remove GATT illegal import restrictions contained in the so-called "Small Farmers Magna Carta", is considering amending the law by replacing import bans with import duties in excess of 100% ad valorem. Current Philippine law does not allow for import duties over 100 percent, however, the Philippine Secretary of Agriculture wants Congress to amend the tariff code to permit the increase. Since items currently restricted by the "Magna Carta" do not have bound tariff rates, this action by the Philippines, a developing country, would not be inconsistent with its GATT obligations. In U.S./Philippines bilateral meetings to discuss Uruguay Round commitments, the United States acknowledged that the Draft Final Text allows developing countries to make ceiling bindings but requested that the GOP cut tariffs where the U.S. had particular export interests.

Japanese Poll Shows 62% Accept Rice Imports as Inevitable

A 62 percent majority of Japanese either actively support opening the rice market, or believe the country might as well accept the inevitable, according to a new Yomiuri newspaper poll. The paper added that 55 percent of the 2,150 voters that it talked to on October 23 also believe that allowing imports will help to improve Japanese agriculture. Among those questioned, 46 percent said they think consumers should have more choice, 31 percent said they would like to see lower prices, 28 percent said market opening would help dismantle an overly complicated distribution system, and 25 percent think it would benefit Japan's international position.

U.S. French Fry Exports to China Jeopardized by Improved Domestic Processing

China's tariff and non-tariff import barriers have apparently motivated would-be potato importers to seek out alternatives to overseas suppliers. One recent report indicated that a major U.S.-based potato company has begun potato production and processing operations in China to supply fast-food restaurants with french fries. Other sources have mentioned that at least one Canadian firm has also entered the Chinese potato processing arena in the Beijing area.

While existing Chinese phytosanitary import regulations prevent the entry of U.S. fresh potatoes, the U.S. exported about 400 tons of processed potatoes to China in MY 92/93. Similarly, Hong Kong and Singapore have been steady markets for U.S. potato products, taking about 20,000 tons of frozen and fresh potatoes yearly. Surplus potato products in China resulting from improved domestic processing could reduce the volume of trans-shipped potato products through Hong Kong and Singapore to China or even make their way into neighboring markets, directly competing with and displacing U.S. potatoes and potato products.

EC Approves Another Extension of Corn Gluten Feed Ceasefire

The EC Council has again approved an extension of the ceasefire on U.S. corn gluten feed imports through June 30, 1994. The ceasefire extension, which suspends Customs testing procedures, was first initiated in August 1992. Since the most recent ceasefire extension lapsed on September 30, 1993, this action is retroactive from Oct. 1, 1993.

Market Updates

Steady Growth Projected for EC Seafood Market

A recent market study presented at the ANUGA food fair in Germany projects an 11-percent rise in EC-12 seafood market sales to \$22.2 billion by 1997. Growth is expected to be steady with finfish and shellfish sales increasing 7 and 34 percent, respectively. Reflecting a declining resource base for traditional wild caught species and growing demand, sales of "exotic"/imported fish (i.e., species now unfamiliar to EC consumers) and farm-raised seafood were mentioned as potential growth areas. Next to Japan, the EC is the most important export market for U.S. seafood exporters, worth \$430 million in sales in 1992. FAS-sponsored trade promotion groups currently targeting Europe include the Alaska Seafood Marketing Institute, the Catfish Institute, and several State Regional Trade Associations. The leading markets in 1992 and their associated U.S. export sales were the United Kingdom (\$145 million), France (\$107 million), Italy (\$42 million), and Germany (\$19 million).

Canada Amends Packaging Requirements for Processed Products

On November 3, the Government of Canada revised its packaging requirements for processed products, giving American exporters of certain products, such as frozen french fries, improved access to the food service trade. Now, packages up to 20 kilograms (44 pounds) can be used, whereas the previous regulations did not allow U.S. firms to use packages larger than 2 kilograms (about 4.4 pounds). Still, there are problems with the new regulation. It has created burdensome labeling requirements (inner containers of multi-packages must meet all retail labeling standards), package size restrictions (must be a multiple of 500 grams), and discriminatory treatment for importers. Canadian firms have a two year exemption from the new requirements while importers do not, and importers must have written preclearance from Agriculture Canada while Canadian firms are not required to obtain preclearance. Despite these inequities, the new regulation is expected to provide new export opportunities for U.S. suppliers.

Malaysia Lowers Tariffs on Horticultural Imports

According to a November 10 report from the Agricultural Attache in Malaysia, the GOM reduced tariffs on a range of agricultural commodities, including a number of fresh and processed horticultural items, effective October 29. For example, the import duty on apples, pears, grapes, stone fruit, avocados, cherries, raisins, and strawberries was reduced in all cases from 20 percent ad valorem to 10 percent. The reductions are expected to provide a significant boost to U.S. sales efforts in the Malaysian market for a number of horticultural products, especially apples, grapes, and raisins, whose combined shipments accounted for nearly 30 percent of the U.S. horticultural sector's CY1992 export total to Malaysia of \$47 million.

Fresh Cherry Exports Reach Record With Help of MPP

Fresh sweet cherries joined an increasing number of other horticultural products in the \$100 million export club in FY 1993, with total sales reaching a record \$112 million. Export volume of over 25,000 tons is down, however, from the previous year. By value, exports of U.S. fresh cherries now rank fourth, behind only citrus, apples and grapes among all fresh fruit exports. Market Promotion Program (MPP) funding efforts have helped to spur the growth of U.S. fresh cherry exports. MPP funding, and before that the Targeted Export Assistance program, have enabled several markets to be developed or expanded, including Japan, Hong Kong, Taiwan and the United Kingdom. Japan passed Canada as the number one cherry export market this year, helped by both reduced import restrictions and continued U.S. promotion efforts. With U.S. planted acreage of sweet cherries on the rise, and production shifting to varieties most desired by importing countries, export volume could triple by the end of the decade.

...Market Updates

Thailand May Reduce Imports of U.S. Tobacco

According to trade sources, farmers and exporters in Thailand are seriously concerned about the minimum 75 percent domestic tobacco content law recently passed (but not yet implemented) in the United States (Section 1106, Omnibus Budget Reconciliation Act of 1993). It is perceived by Thai farmers and exporters that this legislation will reduce Thai tobacco exports and prices. The U.S. Embassy in Bangkok has received two petitions from Thai tobacco growers and a letter from the Thai Tobacco Monopoly (TTM) expressing concern over the U.S. tobacco legislation. TTM's letter contained a threat to retaliate by reducing the import of U.S. tobacco leaf. Currently Thailand imports 100 percent of its unmanufactured imports from the United States because TTM has made the decision to import only U.S. leaf. It is possible this tobacco legislation may serve as a catalyst in changing this decision. Other major tobacco exporting countries have also submitted formal objections to the legislation

Russian Textile Concern Tenders for U.S. Cotton

As a result of Russia's inability to obtain cotton from its traditional suppliers, ROSTEK-STIL, a Russian textile concern, has issued a tender for 230,000 to 276,000 bales of U.S. cotton. Additionally, the Russian textile industry is interested in obtaining U.S. cotton under PL-480 or GSM-102 programs. To date, however, the Russian Government has yet to include cotton in its requests for USDA credit programs. Under this tender ROSTEK-STIL has requested cotton with the following specifications: overlapping length - 2.5%; fiber length - 27-29mm & 26-27mm; micronaire - 4.0-4.6; strength - 22-24 & 21 grams per tex; and grade - middling. Additionally, ROSTEKSTIL has requested that 30 percent of the cotton be delivered to an eastern port (probably Vladivostok) and the remaining 70 percent to Saint Petersburg and Kaliningrad.

U.S. Agricultural Exports by Commodity Type

Calendar Years 1988 to 1993 and Year-to-Date Comparisons
(thousands of dollars)

Product	Calendar Years					January - September		% Chg
	1988	1989	1990	1991	1992	1992	1993	
BULK COMMODITY TOTAL								
Wheat	20,340,369	22,813,257	20,232,083	18,348,386	19,687,248	14,161,942	13,388,424	-5.5
Coarse Grains	4,890,724	5,886,505	3,839,037	3,292,138	4,449,324	3,201,469	3,491,880	9.1
Rice	5,891,340	7,738,137	7,036,717	5,722,597	5,736,599	4,230,550	3,587,534	-15.2
Soybeans	803,764	971,123	801,527	753,557	726,072	520,685	562,695	8.1
Cotton	4,890,661	3,942,468	3,549,508	3,956,443	4,380,402	2,883,748	3,109,443	7.8
Tobacco	1,992,007	2,268,501	2,798,495	2,491,999	2,010,338	1,628,918	1,156,240	-29.0
Pulses	1,252,772	1,301,173	1,441,116	1,427,631	1,650,559	* 1,193,127	985,331	-17.4
Peanuts	240,667	298,404	353,111	268,414	191,656	127,661	142,328	11.5
Other Bulk Commodities	155,518	192,670	203,373	180,304	240,308	161,554	141,136	-12.6
INTERMEDIATE TOTAL	222,916	214,275	209,199	255,304	301,989	214,230	212,038	-1.0
Wheat Flour	9,012,700	8,645,875	8,573,907	8,789,224	9,231,134	*	6,787,836	6,471,217
Soybean Meal	1,579,032	1,212,295	1,005,103	1,155,307	1,294,722	136,401	166,748	22.2
Soybean Oil	476,970	358,723	312,930	222,126	376,202	285,024	950,434	-15.6
Other Vegetable Oils	428,943	423,994	394,790	418,144	502,732	388,117	236,203	-17.1
Feeds & Fodders (Excl Pet Foods)	1,629,983	1,596,995	1,572,369	1,605,732	1,722,327	*	1,288,661	381,285
Live Animals	606,201	490,501	513,783	686,563	*	607,891	426,431	-1,290,379
Hides & Skins	1,826,493	*	1,696,164	1,729,731	1,357,570	1,326,054	1,021,807	907,061
Animal Fats	559,145	510,153	428,729	426,824	515,214	366,022	360,618	-1.5
Planting Seeds	423,528	510,214	588,723	671,655	675,011	*	448,422	437,535
Sugars, Sweeteners, & Beverage Bases	289,637	409,198	572,052	634,101	573,921	419,206	406,859	-2.9
Other Intermediate Products	1,000,030	1,179,702	1,272,743	1,426,946	1,452,744	*	1,057,312	1,121,812
CONSUMER-ORIENTED TOTAL	7,741,635	8,379,789	10,465,615	11,967,920	13,895,994	*	10,057,577	10,787,707
Snack Foods (Excl Nuts)	282,234	364,429	530,125	633,040	829,679	*	578,408	701,530
Breakfast Cereals & Pancake Mix	59,069	91,881	157,882	216,802	219,762	*	148,121	184,702
Red Meats, Fresh/Chilled/Frozen	1,852,839	2,213,602	2,394,495	2,660,267	3,112,361	*	2,307,737	2,295,711
Red Meats, Prepared/Preserved	118,679	100,638	135,998	165,101	181,562	*	128,476	145,616
Poultry Meat	458,117	509,426	672,888	817,913	928,464	*	655,271	757,536
Dairy Products	369,642	343,534	225,753	250,390	518,797	*	346,212	391,305
Eggs & Products	117,193	90,685	101,979	143,367	139,234	*	98,383	100,739
Fresh Fruit	1,093,196	1,134,657	1,486,489	1,561,053	1,683,344	*	1,300,864	1,274,902
Fresh Vegetables	319,584	356,015	728,648	832,935	899,624	*	664,629	762,310
Processed Fruit & Vegetables	855,922	1,003,616	1,246,753	1,394,490	1,558,121	*	1,135,943	1,197,236
Fruit & Vegetable Juices	271,030	291,248	375,497	385,414	461,017	*	365,530	365,125
Tree Nuts	751,201	683,332	801,120	867,704	928,531	*	586,928	578,147
Wine and Beer	151,763	206,095	266,202	315,756	369,181	*	275,187	292,798
Nursery Products & Cut Flowers	83,797	104,887	186,741	201,442	*	201,321	155,594	164,636
Pet Foods	133,563	175,539	244,038	329,772	399,630	*	282,910	355,077
Other Consumer - Oriented Products	615,166	622,997	808,706	979,907	1,190,410	*	824,825	986,251
AGRICULTURAL TOTAL	37,094,704	39,838,921	39,271,605	39,105,530	42,814,376	*	31,007,355	30,647,348

Note: (*) Highest export level since at least 1970.

U.S. Agricultural, Fish and Wood Product Exports by Major Commodity Group
Monthly and Annual Performance Indicators

Export Values	September		October - September			Fiscal Year			
	1992	1993	Change	FY '92	FY '93	Change	1993	1994(f)	Change
	-\$Billion-		-\$Billion-			-\$Billion-			
Grains and Feeds 1/	1.169	1.156	-1%	14.095	14.332	2%	14.332	13.6	-5%
Wheat & Flour	0.352	0.373	6%	4.482	4.954	11%	4.954	3.9	-21%
Rice	0.072	0.066	-9%	0.758	0.768	1%	0.768	1.1	43%
Feed Grains 2/	0.473	0.420	-11%	5.659	5.094	-10%	5.094	5.1	0%
Corn	0.401	0.376	-6%	4.593	4.251	-7%	4.251	4.1	-4%
Feeds & Fodders	0.177	0.183	4%	2.077	2.196	6%	2.196	2.2	0%
Oilseeds and Products	0.538	0.404	-25%	7.338	7.371	0%	7.371	7.3	-1%
Soybeans	0.300	0.209	-30%	4.311	4.606	7%	4.606	4.5	-2%
Soybean Cakes & Meals	0.099	0.073	-26%	1.334	1.146	-14%	1.146	1.0	-13%
Soybean Oil	0.031	0.024	-23%	0.356	0.327	-8%	0.327	0.4	22%
Other Vegetable Oils	0.045	0.039	-14%	0.491	0.496	1%	0.496	NA	NA
Livestock Products	0.542	0.481	-11%	5.973	5.886	-1%	5.886	6.2	5%
Red Meats	0.273	0.260	-5%	2.935	3.052	4%	3.052	3.3	8%
Hides & Skins	0.113	0.106	-6%	1.317	1.271	-3%	1.271	1.3	2%
Poultry Products	0.105	0.118	12%	1.195	1.315	10%	1.315	1.4	6%
Poultry Meat	0.077	0.090	17%	0.887	0.994	12%	0.994	NA	NA
Dairy Products	0.078	0.089	14%	0.733	0.891	22%	0.891	0.9	1%
Horticultural Products	0.567	0.606	7%	6.922	7.298	5%	7.298	7.6	4%
Unmanufactured Tobacco	0.074	0.064	-14%	1.568	1.443	-8%	1.443	1.3	-10%
Cotton and Linters	0.079	0.075	-6%	2.195	1.538	-30%	1.538	1.7	11%
Planting Seeds	0.061	0.048	-22%	0.667	0.664	0%	0.664	0.7	5%
Sugar & Tropical Products	0.152	0.172	13%	1.706	1.716	1%	1.716	1.8	5%
Wood Products 4/	0.543	0.552	2%	6.644	7.293	10%	7.293	NA	NA
Fish and Seafood Products 4/	0.228	0.264	16%	3.346	2.928	-12%	2.928	NA	NA
Total Agriculture	3.366	3.211	-5%	42.316	42.454	0%	42.454	42.5	0%
Total Agriculture, Fish & Wood	4.137	4.026	-3%	52.306	52.411	0%	52.411	NA	NA
 Export Volumes	 -- MMT -- Change		 -- MMT -- Change			 -- MMT -- Change			
Grains and Feeds 1/	8.476	8.279	-2%	101.234	104.149	3%	104.149	NA	NA
Wheat	2.465	2.846	15%	34.289	36.081	5%	36.081	30.0	-17%
Wheat Flour	0.044	0.071	59%	0.808	1.067	32%	1.067	1.1	3%
Rice	0.226	0.263	17%	2.281	2.713	19%	2.713	2.8	3%
Feed Grains 2/	4.628	3.954	-15%	50.195	50.100	-0%	50.100	42.8	-15%
Corn	3.907	3.522	-10%	40.597	41.766	3%	41.766	34.5	-17%
Feeds & Fodders	0.966	0.942	-3%	11.711	11.885	1%	11.885	11.8	-1%
Oilseeds and Products	2.125	1.376	-35%	28.881	29.408	2%	29.408	25.0	-15%
Soybeans	1.363	0.818	-40%	19.247	20.400	6%	20.400	17.1	-16%
Soybean Cakes & Meals	0.487	0.317	-35%	6.301	5.653	-10%	5.653	4.6	-19%
Soybean Oil	0.065	0.045	-30%	0.747	0.644	-14%	0.644	0.6	-7%
Other Vegetable Oils	0.077	0.059	-24%	0.782	0.824	5%	0.824	NA	NA
Livestock Products 3/	0.280	0.211	-25%	2.770	2.811	1%	2.811	NA	NA
Red Meats	0.079	0.076	-4%	0.870	0.903	4%	0.903	1.0	11%
Poultry Products 3/	0.078	0.095	22%	0.821	1.012	23%	1.012	NA	NA
Poultry Meat	0.075	0.092	22%	0.787	0.974	24%	0.974	1.0	3%
Dairy Products 3/	0.044	0.046	2%	0.399	0.467	17%	0.467	NA	NA
Horticultural Products 3/	0.441	0.465	5%	5.951	6.090	2%	6.090	6.6	8%
Unmanufactured Tobacco	0.012	0.010	-21%	0.246	0.231	-6%	0.231	NA	NA
Cotton & Linters	0.061	0.058	-5%	1.527	1.163	-24%	1.163	1.3	12%
Planting Seeds	0.076	0.025	-67%	0.705	0.556	-21%	0.556	NA	NA
Sugar & Tropical Products 3/	0.107	0.094	-12%	1.102	0.910	-17%	0.910	NA	NA
Total Agriculture 3/	11.70	10.66	-9%	143.64	146.80	2%	146.80	130.0	-11%

1/ Includes pulses, corn gluten feed, and meal.

2/ Includes corn, oats, barley, rye, and sorghum.

3/ Includes only those items measured in metric tons.

4/ Items not included in agricultural product value totals.

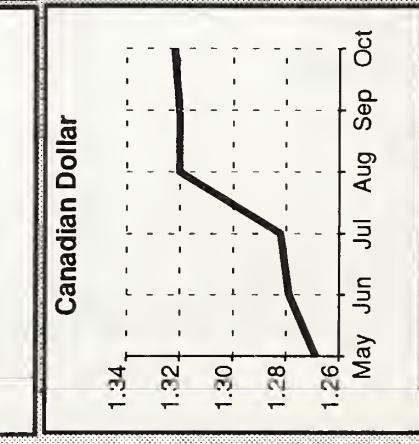
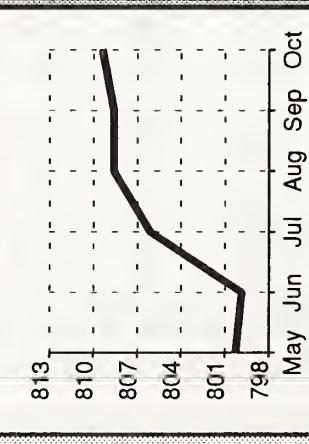
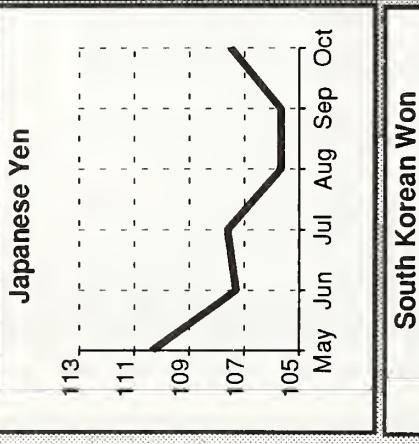
Note: FY 1994 forecasts (f) are based on USDA's "Outlook for Agricultural Exports," published on November 30, 1993.

U.S. Agricultural Export Value by Region
Monthly and Annual Performance Indicators

	September			October–September			Fiscal Year		
	1992 -\$Billion-	1993 -\$Billion-	Change	FY '92 -\$Billion-	FY '93 -\$Billion-	Change	1993 -\$Billion-	1994(f) -\$Billion-	Change
Western Europe	0.616	0.400	-35%	7.726	7.439	-4%	7.439	7.5	1%
European Community	0.559	0.357	-36%	7.183	6.964	-3%	6.964	7.0	1%
Other Western Europe	0.058	0.043	-25%	0.543	0.475	-13%	0.475	0.5	5%
Eastern Europe	0.040	0.030	-25%	0.221	0.465	110%	0.465	0.4	-14%
Former Soviet Union	0.065	0.078	21%	2.640	1.435	-46%	1.435	1.2	-16%
Asia	1.234	1.349	9%	15.989	15.866	-1%	15.866	16.4	3%
Japan	0.650	0.716	10%	8.364	8.430	1%	8.430	8.9	6%
China	0.021	0.011	-47%	0.690	0.317	-54%	0.317	0.3	-5%
Other East Asia	0.406	0.433	7%	4.929	4.932	0%	4.932	5.0	1%
Taiwan	0.160	0.186	16%	1.913	1.998	4%	1.998	2.1	5%
South Korea	0.181	0.174	-4%	2.200	2.041	-7%	2.041	2.0	-2%
Hong Kong	0.065	0.073	12%	0.816	0.878	8%	0.878	0.9	3%
Other Asia	0.158	0.188	19%	2.005	2.187	9%	2.187	2.2	1%
Pakistan	0.017	0.046	169%	0.226	0.236	4%	0.236	0.3	27%
Philippines	0.041	0.037	-11%	0.442	0.511	16%	0.511	0.6	17%
Middle East	0.136	0.152	11%	1.717	1.856	8%	1.856	2.0	8%
Israel	0.018	0.029	56%	0.342	0.363	6%	0.363	0.4	10%
Saudi Arabia	0.050	0.028	-44%	0.506	0.429	-15%	0.429	0.5	17%
Africa	0.283	0.168	-41%	2.201	2.593	18%	2.593	2.5	-4%
North Africa	0.112	0.126	12%	1.312	1.587	21%	1.587	1.7	7%
Egypt	0.067	0.040	-40%	0.709	0.727	3%	0.727	0.8	10%
Algeria	0.014	0.042	195%	0.382	0.428	12%	0.428	0.5	17%
Sub-Saharan Africa	0.171	0.042	-76%	0.889	1.006	13%	1.006	0.8	-20%
Latin America	0.528	0.545	3%	6.384	6.813	7%	6.813	6.9	1%
Mexico	0.276	0.250	-10%	3.653	3.621	-1%	3.621	3.9	8%
Other Latin America	0.251	0.295	18%	2.731	3.192	17%	3.192	3.0	-6%
Brazil	0.007	0.017	140%	0.143	0.231	61%	0.231	0.2	-13%
Venezuela	0.043	0.044	3%	0.393	0.498	27%	0.498	0.4	-20%
Canada	0.408	0.416	2%	4.804	5.202	8%	5.202	5.2	-0%
Oceania	0.040	0.046	17%	0.424	0.453	7%	0.453	0.4	-12%
WORLD TOTAL ...	3.366	3.211	-5%	42.316	42.454	0%	42.454	42.5	0%

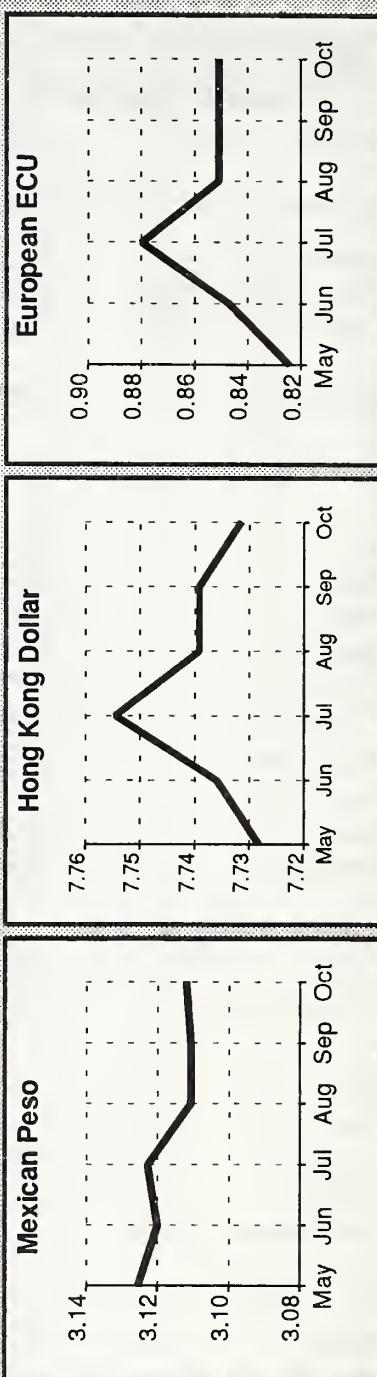
Note: FY 1994 forecasts are based on USDA's "Outlook for U.S. Agricultural Exports," published November 30, 1993.

Exchange Rate Movements Of Major World Currencies Vis-a-Vis U.S. Dollar -- Daily Spot Quotations & Monthly Averages



Currencies	Current Rate 11/19/93	Month Ago 10/19/93	Year Ago 11/92	% Change Year Ago 11/92
Argentine Peso	.99	.99	.99	0.00
Australian Dollar	1.5083	1.5053	1.4620	3.17
Brazilian Cruzeiro real	199.75	147.04	920.01	-78.29
Canadian Dollar	1.3273	1.3248	1.2717	4.37
Hong Kong Dollar	7.7270	7.7296	7.737	-0.14
Japanese Yen	108.71	107.08	123.40	-11.90
Mexican Peso	3.22	3.11	3.12	3.21
Taiwan Dollar	26.61	26.61	25.30	5.18
South Korean Won	807.50	809.50	786.40	2.68
European ECU	.89289	.86505	.80244	11.40
-British Pound	.6796	.6718	.6508	4.43
-French Franc	5.9525	5.8030	5.3255	11.77
-German Mark	1.7171	1.6420	1.5731	9.15

NOTE: Exchange rates are daily spot quotes as of 3:00 PM Eastern Time, November 19, 1993.
 Source: TEID/TPFAS Exchange Rate Database and *Wall Street Journal*.



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